



# House of Representatives

General Assembly

**File No. 365**

January Session, 2023

Substitute House Bill No. 6830

*House of Representatives, April 3, 2023*

The Committee on Insurance and Real Estate reported through REP. WOOD of the 29th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT ESTABLISHING A PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2023*) (a) (1) There is established  
2 within the Health Care Cabinet of the Office of Health Strategy,  
3 established under section 19a-754a of the general statutes, a Prescription  
4 Drug Affordability Advisory Council, which shall: (A) Provide  
5 recommendations on any policy initiatives of the Health Care Cabinet;  
6 and (B) review and advise the Health Care Cabinet with respect to  
7 health care cost initiatives in this state, including, but not limited to, cost  
8 trends in hospitals, pharmaceutical costs and pricing, pharmacy benefits  
9 managers' costs to the health care system and costs associated with  
10 health care provider billing.

11 (2) For the purposes of this section, "chain pharmacy" means any  
12 community pharmacy that is publicly traded or has not less than six  
13 stores located in this state.

14 (b) The advisory council shall consist of the following members:

15 (1) Two appointed by the speaker of the House of Representatives,  
16 one of whom shall be a representative of the American Association of  
17 Retired Persons, and one of whom shall be a representative of the health  
18 insurance industry;

19 (2) Two appointed by the president pro tempore of the Senate, one of  
20 whom shall be a representative of a labor union in this state, and one of  
21 whom shall be a member of any state-wide health care advocacy  
22 coalition;

23 (3) Two appointed by the majority leader of the House of  
24 Representatives, one of whom shall be a representative of a large  
25 business and employer community in this state, and one of whom shall  
26 be a pharmacist licensed under chapter 400j of the general statutes and  
27 employed by any chain pharmacy;

28 (4) Two appointed by the majority leader of the Senate, one of whom  
29 shall be a representative of a pharmaceutical manufacturer, and one of  
30 whom shall be a representative of the provider community;

31 (5) Two appointed by the minority leader of the House of  
32 Representatives, one of whom shall be a member of the biotechnology  
33 industry, and one of whom shall be a member of the small business  
34 community in this state;

35 (6) Two appointed by the minority leader of the Senate, one of whom  
36 shall be a representative of the medical device industry, and one of  
37 whom shall be a member of a chamber of commerce in this state;

38 (7) Two appointed by the Governor, with the advice and consent of  
39 both houses of the General Assembly, one of whom shall be a  
40 representative of any state-wide health care advocacy coalition, and one  
41 of whom shall be a representative of the employer community in this  
42 state; and

43 (8) The executive director of the Office of Health Strategy, or the  
44 executive director's designee.

45 (c) No member of the advisory council appointed pursuant to  
46 subsection (b) of this section may be a member of the General Assembly.

47 (d) All initial appointments to the advisory council shall be made not  
48 later than January 1, 2024. Advisory council members shall serve for a  
49 term of four years. No advisory council member shall be appointed for  
50 more than two terms. Any vacancy shall be filled by the appointing  
51 authority. Any vacancy occurring other than by expiration of term shall  
52 be filled for the balance of the unexpired term.

53 (e) The Governor shall select the chairperson of the advisory council  
54 from among the members of the advisory council. Such chairperson  
55 shall schedule the first meeting of the advisory council, which shall be  
56 held not later than March 1, 2024. The advisory council shall meet not  
57 less than quarterly and at such other times as such chairperson deems  
58 necessary or upon the request of a majority of such members.

59 (f) A majority of the advisory council shall constitute a quorum for  
60 the transaction of any business.

61 (g) The members of the advisory council shall serve without  
62 compensation, but shall, within the limits of available funds, be  
63 reimbursed for expenses necessarily incurred in the performance of  
64 their duties.

65 (h) Not later than January 1, 2025, and annually thereafter, the  
66 advisory council shall submit a report to the Office of Health Strategy  
67 and, in accordance with the provisions of section 11-4a of the general  
68 statutes, to the joint standing committee of the General Assembly  
69 having cognizance of matters relating to insurance.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2023	New section

**INS** Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Office of Health Strategy	IF - Cost	145,000 <sup>1</sup>	148,000 <sup>2</sup>

Note: IF=Insurance Fund

**Municipal Impact:** None

**Explanation**

The bill, which establishes a 15-member Prescription Drug Affordability Advisory Council within the Health Care Cabinet of the Office of Health Strategy, results in a cost of \$145,000 in FY 24 and \$148,000 in FY 25 to OHS for salary and fringe benefits related to hiring one Planning Analyst to support the administrative activities of the council.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: Department of Administrative Services website

<sup>1</sup> The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, as opposed to the fringe benefit accounts within the Office of the State Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes for other appropriated fund employees is 103.41% of payroll in FY 23.

<sup>2</sup> Assumed growth of 2.5% in FY 25.

**OLR Bill Analysis****sHB 6830*****AN ACT ESTABLISHING A PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL.*****SUMMARY**

This bill establishes a 15-member Prescription Drug Affordability Advisory Council within the Health Care Cabinet of the Office of Health Strategy (OHS) to (1) make recommendations to the cabinet on its policy initiatives and (2) review and advise the cabinet on health care cost initiatives, including cost trends in hospitals, pharmaceutical costs and pricing, pharmacy benefit managers' costs to the health care system, and costs associated with health care provider billing.

Beginning by January 1, 2025, the advisory council must annually report (presumably, on its review and recommendations) to OHS and the Insurance and Real Estate Committee.

EFFECTIVE DATE: October 1, 2023

**ADVISORY COUNCIL MEMBERSHIP**

The advisory council has the following members:

1. two appointed by the House speaker, one who represents the American Association of Retired Persons, and one who represents the health insurance industry;
2. two appointed by the Senate president pro tempore, one who represents a labor union in Connecticut and one who is a member of a state-wide health care advocacy coalition;
3. two appointed by the House majority leader, one who represents a large business and employer community in the state, and the other who is a Connecticut-licensed pharmacist employed at a chain pharmacy (i.e., a community pharmacy that is publicly

- traded or has at least six in-state locations);
4. two appointed by the Senate majority leader, one who represents a pharmaceutical manufacturer and the other who represents the provider community;
  5. two appointed by the House minority leader, one who is a member of the biotechnology industry, and one who is a member of the Connecticut small business community;
  6. two appointed by the Senate minority leader, one who represents the medical device industry and one who is a member of a chamber of commerce in Connecticut;
  7. two appointed by the governor, with legislative approval, one who represents any state-wide health care advocacy coalition, and one who represents the employer community in Connecticut; and
  8. the OHS executive director or her designee.

The bill prohibits the appointed members from being members of the General Assembly. Initial appointments must be made by January 1, 2024, and members serve up to a maximum of two, four-year terms. Vacancies are filled by the appointing authority (and vacancies for reasons other than an expired term are filled for the remainder of the unexpired term).

The governor selects the chairperson from the council's members, who must schedule the council's first meeting to be held by March 1, 2024. The council must meet at least quarterly, and more often as the chair deems necessary or upon a request of a majority of its members. A majority of the council constitutes a quorum.

Councilmembers serve without compensation, but must be reimbursed, within available funds, for expenses necessarily incurred while doing their duties.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 12 Nay 0 (03/16/2023)